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# GAIN Report

Global Agricultural Information Network

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## Russian Federation

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### **GOR Expects Record 2015 Salmon Harvest in the Far East**

**Report Categories:**

Fishery Products

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**Report Highlights:**

On August 12, 2015, Deputy Minister of Agriculture and Head of the Federal Fisheries Agency (FFA), Ilya Shestakov gave a press conference on “Progress of the Salmon Harvest in the Far East: Challenges and Solutions.” Despite an expected record salmon harvest of 450,000 MT in the Far East, the price for fish and seafood continues to climb and consumption is forecast to decrease by ten percent.

**General Information:**

On August 12, 2015, Deputy Minister of Agriculture and The Head of the Federal Fisheries Agency (FFA), Ilya Shestakov gave a press conference on “Progress of Salmon Harvest in the Far East: Challenges and Solutions,” which was organized and held in the media-center of the newspaper “Rossiyskaya Gazeta.”

During his opening remarks, Mr. Shestakov reported that the total fish and seafood catch in Russia, as of August 11, 2015, is estimated at 2.8 million MT, or 9 percent higher than during the same period in 2014. The growth in catch is attributable to a significant increase in the harvest of sprat, shrimp and crab (note: the total allowable quota for the species was increased earlier in 2015 to meet import substitution goals of the government). For example, for the period January through June, 2015, the sprat catch increased by 30 percent, and the shrimp catch by 15 percent over the same period last year.

According to Shestakov, as of August 10, 2015, the Far Eastern basin produced 218,000 MT of salmon, 5 percent more than in 2013. (Note: due to the biological nature of this fish species, harvest is compared with every other year; salmon harvests in odd years are generally higher.) According to the latest forecast, almost 44 percent of salmon have already been harvested. Traditionally, Kamchatka is the main region for the salmon catch during this period. As of August 10<sup>th</sup>, the volume of the Kamchatka catch exceeded 158,000 MT, which is 45,000 MT or just over 40 percent higher than in 2013. The total salmon catch for the Far East is forecast at a record 450,000MT, or 20,000 MT more than in 2013.

Shestakov also forecast that fish consumption in Russia would decrease somewhere between 9 and 11 percent in CY2015, from 22.4 kg in 2014 to 20-20.5 kg in 2015. Shestakov attributed the forecasted decrease in consumption to increasing prices, food import restrictions and exchange rate fluctuations. Sharp fluctuations in the price of salmon are not expected. However salmon prices are subject to seasonal fluctuations and are expected to increase in spring 2016, when most of the supply will be sold out and before the new season begins.

With regard to prices for other types of fish, Mr. Shestakov said that in the Russian Northwest the price for Atlantic herring demonstrated the highest growth, with a 30 percent increase since the beginning of 2015. The largest supplier of Atlantic herring to Russia was Norway. However, as result of the Russian food sanctions, supplies of Atlantic herring in the Northwest have shrunk considerably. Russia bans imports of Norwegian fish and recently banned Iceland, another important supplier. Shestakov also reported that the price for Pacific salmon and halibut increased by 15 percent. According to the trade, the average wholesale price for Pacific herring in August 2015 soared almost 4 times, to 87 rubles (\$1.3) per kg, in comparison to the price in August 2014. In August, the wholesale price for pink salmon doubled to 130-140 rubles (\$2) per kg, while the price for pollock rose by 50 percent to 92 rubles (\$1.4) per kg. Fish prices have been impacted by the declining value of the ruble as well as the reduced number of eligible suppliers.

Currently, domestic fish production accounts for 79.4 percent of all fish and fish products consumed in Russia (considering both retail and processing). In retail trade, 65% of demand is met through domestic sources, while the remaining 35% is met through imported fish and seafood.

In response to questions raised on issues with transportation logistics in shipping from the Russian Far East to Central Russia, Mr. Shestakov stated that “there are no global challenges with logistics; however, the transportation tariffs have started to increase as the fishing season in the Far East

progresses.” He also noted that one of the main objectives in terms of logistics is to provide a sufficient number of refrigerated containers for fish and seafood, stabilize transportation tariffs and better control temperatures in the containers to ensure fish quality.

Shestakov reported that the government is developing a number of amendments to the basic “Fisheries Law” that will stimulate modernization and capital investment in the fishing fleet. Currently 80 percent of fish harvesting vessels are 20-25 years old. Concerns over vessel safety were also discussed.

Currently FFA and other agencies are developing amendments to relevant administrative regulations and the Code of Commercial Navigation to provide for a survey of current fishing vessels.